

SURETY ESTIMATE UPDATE
Umetco Minerals Company
Redd Block IV
M/037/046

Prepared by Utah Division of Oil, Gas & Mining
Last Update June 23, 1994

DESCRIPTION:

- Original Reclamation Estimate calculated in 1984-\$
- Original Reclamation Estimate = \$5,089
- Escalation factors through 1993 are actual Means Historical Cost Indices
- Escalation factors for years 1994 and beyond are predicted
- Total disturbed area = 4.0 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
	1984	0.92%	\$5,089
$F = P(1 + i)^{**n}$	1985	2.90%	\$5,237
F = Future Sum	1986	2.10%	\$5,347
P = Present Sum	1987	1.95%	\$5,451
i = Escalation Factor	1988	1.81%	\$5,549
n = number of periods	1989	1.77%	\$5,648
	1990	0.77%	\$5,691
	1991	1.27%	\$5,763
	1992	2.21%	\$5,891
	1993	2.54%	\$6,040
	1994	2.01%	\$6,162
Three Yr Average = 2.01	1995	2.01%	\$6,286
Used to Project 5 Yrs	1996	2.01%	\$6,412
Into the Future	1997	2.01%	\$6,541
From the Year 1994	1998	2.01%	\$6,672
	1999	2.01%	\$6,807
Updated Surety Amount Rounded (1999 \$)			\$6,800

Average Cost/Acre = \$1,700